The final report was submitted in April, 1997 by the firm. At the instance of the Government and based on the recommendations of the consultants the bank has prepared a Three-year strategic Revival Plan (1997-98 to 1999-2000). A committee of Directors of the Board of Indian Bank has been formed to monitor the progress of implementation of the turn-around strategy by the consultant. The huge losses reflected by Indian Bank in 1995-96 were mainly on account of the necessity for making provisions including, *inter-alia,* additional provisions because of short provisioning in earlier years, increase in the yield to maturity rate and arrears of wages on account of retrospective revision of the wage structure.

Assessment Regarding Effect of Sanctions/ Cuts Following Nuclear Tests

1397. SHRI SHIV CHARAN SINGH:
SHRI JOYANTA ROY:
SHRI GOVINDRAM MIRI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have made a detailed assessment of the effects of various sanctions and cuts announced by the different foreign Governments in the wake of Indian's Nuclear Tests made on May 11 and 13, 1998;

(b) if so, the details thereof;

(c) whether Government have drawn up any plan envisaging various counter economic measures and if so, the details thereof; and

(d) if answer to (a) above is in the negative, the reasons therefor?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) It is perhaps a bit early to assess the full implications of the sanctions. However, sanctions with regard to foreign aid are expected, in most cases, to apply to new commitments, there would be only a marginal effect on the aid flows in the current year.

(c) nd (d) In conformity with the current policy of the Government, various measures have been initiated to encourage foreign direct investment and investment from NRIs/OCBs and FIIs. As per the announcement made in the Union Budget, 1998-99, Unit Trust of India is planning to launch a new India Millennium Scheme to invite subscription in dollars from the NRIs. State Bank of India is planning to launch a new Resurgent India Bond denominated in foreign currencies for subscription by NRIs. Investment by the FII debt funds in unlisted domestic debt securities has been proposed. The budget also proposed measures to accelerate processing and implementation of FDI.

Bad Debts of Nationalised Banks

1398. SHRI VEDPRAKASH P. GOYAL:
SHRIMATI MALTI SHARMA:

Will the Minister of FINANCE be pleased to state:

(a) the details of the bad debts of nationalised banks during the last three years ending with 31st December, 1997;

(b) the reasons for incurring losses due to bad debts;

(c) the steps taken by Government for (i) recovery of these losses and (ii) avoiding recurrence of such losses; and

(d) the action taken against the persons responsible for these losses?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Based on the record on recovery, the assets of a bank are classified as performing assets or non-performing assets (NPA). NPAs of the nationalised banks for the last three years